

AGREEMENT TO CONDITIONS FOR JOINT HOME/LIHTC
PROGRAMS' FUNDING OF A ROSE PROGRAM

Whereas, the Iowa Finance Authority's Low-Income Housing Tax Credit (LIHTC) Program 2014 Qualified Allocation Plan defines the Renter to Ownership Saving Equity Program (ROSE Program) as a program to provide the tenant with a saving plan for the purpose of securing homeownership, homeownership education and credit counseling; and

Whereas, the 2014 Qualified Allocation Plan states this in relation to the ROSE Program: At the completion of the 15-year Compliance Period, the Unit shall be offered to the current tenant; and

Whereas, an Applicant for the Low-Income Housing Tax Credits may also apply for HOME funds; and

Whereas, Chapter 39.4(16) a.1. of the Iowa HOME Program rules states that assisted units shall remain affordable for a specified period: 20 years for newly constructed units; and

Whereas, the U.S. Department of Housing and Urban Development (HUD) states in the HOME Investment Partnerships Program Final Rule 24 CFR Part 92, that the HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the table set forth therein, beginning after project completion; and

Whereas, 24 CFR Part 92 also states the affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership; and

Whereas, 24 CFR Part 92 also states, that the affordability requirements must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD; and

Whereas, 24 CFR Part 92 specifies that the minimum period of affordability for new construction is 20 years; and

Whereas, the Iowa Finance Authority finds that there is a benefit to HOME income qualified households participating in the ROSE program; and

Whereas, the Iowa Finance Authority finds that HOME funds may be needed to make the Low-Income Housing Tax Credit project economically feasible;

Now therefore, the Iowa Finance Authority hereby agrees to allow the Applicant to apply for HOME funds for use in a Low-Income Housing Tax Credit project that is established as a ROSE program in consideration of the Applicant's agreement to all of the following:

1. The terms of the Land Use Restrictive Agreement (LURA) for the Low-Income Housing Tax Credit program and the Covenants and Restrictions and Mortgage for the HOME program, shall all extend to the completion of the HOME affordability period.
2. No portion of the LIHTC-funded project may be sold prior to the completion of the HOME affordability period.
3. The pro forma in the LIHTC Application must show that the HOME mortgage shall be paid in full by the end of the HOME affordability period; however, no prepayment of the HOME mortgage shall be allowed.

4. All provisions of the ROSE Program shall be maintained and continued through the completion of the HOME compliance period.
5. All of the items agreed to in this document shall be included as required provisions in the LURA and the Covenants and Restrictions.

By executing this agreement the undersigned agrees to all of the foregoing and further agrees that but for the execution hereof, the undersigned would not be permitted to apply for HOME funds for use in a Low-Income Housing Tax Credit project that is established as a ROSE program.

Signed,

Name of the Ownership Entity

Name/Title

Signature of the Ownership Entity

Date